

DOCUMENT NAME: Contracts**DOCUMENT TYPE: 24**

1. **Description:** A contract is a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. A description of the goods or services required is prepared for all acquisitions by contract. Payment of these documents requires Contracting Officer payment approval. Following are definitions of some of the more common types of contracts.
 - a. **Firm Fixed Price:** The contractor is paid a lump sum for a specific job. Fixed Price Economic Price Adjustment (EPA) occurs when some element is subject to variation based on market conditions, such as steel or oil. Fixed Price with Incentive allows additional incentive money when the contractor delivers within budget or early. The amount received is formula based. Firm Fixed Price contracts can be paid either as partial payments (i.e., for supplies) or as progress payments (e.g., Construction Contracts).
 - b. **Cost Reimbursement:** The contractor is reimbursed based on costs incurred. Usually research and development projects are cost reimbursed. There can be a ceiling stipulated. A Cost Plus Fixed Fee stipulates a set amount of money be paid above cost; this cost does not vary with cost incurred. With a Cost Plus Incentive Fee, a contractor can earn an additional fee based on incentive formula. All of these contracts have a fifteen percent (15%) or one hundred thousand dollar (\$100,000) holdback, whichever is lower.
 - c. **Indefinite Delivery:** This multitask contract is used when specific supplies and services are to be procured, but when and where is not yet known. A Delivery Order is issued against the contract defining the specifics. With a Requirements Contract, funding is provided by each Delivery Order as requirements come up. With an Indefinite Quantity Contract, a minimum quantity and obligation is provided up-front. With a Definite Quantity Contract, a specific quantity is obligated up-front. With a Basic Quantity, a minimum and maximum amount is stipulated. Payments are made upon delivery of supplies or progress payments may be made for services.
 - d. **Time and Materials, Labor Hour:** These contracts are similar to Cost Reimbursement. The contractor is reimbursed for time and materials. A fixed hourly labor rate is used. Materials are reimbursed on an actual cost basis.
 - e. **Letter Contracts:** When the Government has an urgent requirement and there is not enough time to do another type of contract, a letter can authorize acquisition. Later, a definitive contract must be established.
 - f. **Interagency:** This contract is used when an agency acquires supplies and services through another agency. Partial or full payment is made on delivery.
2. **Primary Forms:** CG-5398 (or OF-347), Order for Supplies or Services
SF-26, Award/Contract
SF-33, Solicitation Offer and Award

3. **Related Forms:** DD-250, Material Inspection and Receiving Report
 DOT F-4200.1, Procurement Request
 SF-30, Amendment Of Solicitation/Modification Of Contract
 SF-1442, Solicitation Offer and Award
 U. S. Coast Guard Contract Payment Approval Form

4. **Document Number:** Standard Number - unit assigned.

The document number assigned to a contract action must be unique and remain the same throughout the life of the contract. It is important that you do not generate a new document reference number when you receive new funding PRs. Reference the document number from the original award document.

SAMPLE: Contract Number- DTCG/HSCG90-04-C-FAB001
 Base- 2404904FAB001
 MOD 0001 issued FY 2005- 2404904FAB001

| Document Type | FY Funded | Procurement Site | FY Contract Originated | Region | Program Elements | Document Sequence | Suffix |
|------------------|--------------|---------------------|---------------------------|--------|---------------------|----------------------|--------|
| 24 | 04 | 90 | 4 | F | AB | 001 | |

Note: Document numbering for some of the types of contracts mentioned in Paragraph 1 above can vary significantly. Following are some examples:

- a. Example of Indefinite Delivery Contract numbering.

(1) Formal Contract Number DTCG/HSCG90-04-D-FAB123

(2) The DOC ID should be established as follows:

2404904FAB123 000 1st accounting line
 2404904FAB123 001 2nd accounting line

Note: Stated minimum order quantity is the only amount obligated using the formal contract number. See (3) and (4) below for proper numbering of delivery orders placed in addition to this minimum stated quantity.

(3) A delivery order is placed against contract DTCG/HSCG90-04-D-FAB123 in the following fiscal year and the Procurement Request (PR) number is 2104904FAB001. There is one accounting line to be charged. The order number is DTCG/HSCG90-04-F-FAB001.

(4) The DOC ID should be established as follows:

2404904FAB001 000

Note: The Delivery order number is not linked to the formal contract number in CGOF.

- b. Example of Basic Ordering Agreement (BOA) document numbering.

(1) Formal BOA number DTCG/HSCG 90-04-A-FAB111.

(2) PR for order is 2104904FBB123. There is one accounting line.

(3) The order number is DTCG/HSCG 90-04-F-FBB123.

4. b. (4) The Document ID should be established as follows:

2404904FBB123 000

Note: The order number is not linked to the formal BOA number.

- c. Example of Firm Fixed Price numbering.

(1) Formal contract number DTCG/HSCG 90-03-C-FAB321.

(2) There is one accounting line.

(3) The DOC ID should be established as follows:

2403903FAB321

- d. Example of Modification in the following fiscal year to Firm Fixed Price Contract DTCG/HSCG 90-03-C-FAB321 due to change in scope.

(1) Mod includes two accounting lines. Modification numbering is:

2404903FAB321 000 1st accounting line

2404903FAB321 001 2nd accounting line

- e. Example of Modification in the following fiscal year to Firm Fixed Price Contract DTCG/HSCG 90-03-C-FAB321 due to price increase with no change in scope.

(1) Mod includes one accounting line.

2403903FAB321 000

5. **Accounting Line:** If multiple accounting lines are used, a different suffix is required for each accounting line.

SAMPLE: 2/F/401/136/30/0/12345/2554

6. **FINCEN Critical Processing Requirements:**

- a. Copies of each contract must be scanned into WINS. Contracts must include accounting data, document number, and cost breakdown for multiple accounting lines in the proper block to ensure accurate financial reporting.
- b. In addition to normal OF-347 requirements, delivery orders must contain the contract number in block 2.
- c. For vendor payment The CONTRACT PAYMENT APPROVAL FORM must be completed in its entirety (first endorsement is optional). The following information is vital to ensure proper payment terms are executed:
- (1) Date invoice received.

6. c. (2) Contract number.
- (3) Vendor name.
- (4) Standard document number.
- (5) Accounting data.
- (6) Delivery and acceptance date.
- (7) Amount authorized for payment.
- (8) Discount terms.
- (9) Contract balance after payment.
- (10) Contract specialist, Project Officer, Contracting Officer signatures.
- d. In accordance with OMB Prompt Payment Circular A-125, any invoice determined not to be a proper invoice shall be returned within seven days of agency receipt. Contracting officers must provide this additional information with the approval form for any defective invoices that were returned to vendors. Contracting officers must ensure that dates of defective invoices are properly annotated as to when returned to vendor and that receipt of corrected copies are properly annotated. Contracting officers must ensure that receipt and acceptance are executed as promptly as possible. Approval documentation must be forwarded to FINCEN via WINS in a timely manner so that discounts can be taken and interest penalty payments can be avoided.
- e. **COPIES OF THE DOCUMENTS SUBMITTED MUST BE LEGIBLE.**

7. Other Information:

- a. The contracting site number will always be the number of the office procuring the goods.
- b. If the value of the Procurement Request is greater than \$25,000, a commitment should be entered into CIMS/FPD.
- c. Items to note concerning modifications to contracts:
 - (1) Administrative modifications result in no change on a PES report.
 - (2) A modification that results in a new accounting line will generate a new suffix.
 - (3) A modification that results in an increase or decrease to an existing accounting line will generate a transaction code indicating the increase and/or decrease.

CGAP SUBCHAPTER 1232.7002

Enclosure (6) to COMDTINST M4200.19G

COAST GUARD CONTRACT PAYMENT APPROVAL

CONTRACTOR: _____ CONTRACT NO: _____
DTCG/HSCG _____

INVOICE/VOUCHER NO: _____ DO/TO NO: _____

DATE PROPER INVOICE/VOUCHER RECEIVED: _____

FROM: _____, Contract Specialist/Contracting Officer

TO: _____, Finance Center, Accounts Payable

(a) ☐ Pay full amount of invoice/voucher \$ _____ or

(b) [] Pay \$ _____ and retain \$ _____

Reason for retainage _____

(a) [] Complete document numbers (must contain 16 characters each):

DOCUMENT NO: _____ \$ _____

DOCUMENT NO: _____ \$ _____

DOCUMENT NO: _____ \$ _____

OR

(b) [] The accounting data for this invoice/voucher is as follows:

DOCUMENT NO. (13 characters only) _____ AND

Accounting Line: _____ \$ _____

Accounting Line: _____ \$ _____

| | |
|------------------|----|
| Accounting Line: | \$ |
|------------------|----|

The contract/order balance after this payment is \$_____

| TYPE PAYMENT: | FINAL | PARTIAL | COST-REIMBURSEMENT | PROGRESS |
|---------------|-------|---------|--------------------|----------|
|---------------|-------|---------|--------------------|----------|

CONTRACT FINANCING: ____Y ____N ASSIGNMENT OF CLAIMS? ____Y ____N

DISCOUNT FOR PROMPT PAYMENT: 10 DAYS 20 DAYS 30 DAYS _____ DAYS
 _____% _____% _____% _____%

PAYMENT TERMS: _____ DAYS

ACCEPTANCE DATE: _____ COTR INITIALS: _____
(Optional)

ADDITIONAL COMMENTS:

Signature: _____ Date: _____
Contract Specialist/Contracting Officer

For Payment questions contact: _____, _____, _____
Name Telephone E-mail

Figure 12D-21 USCG Contract Payment Approval Sheet (Blank)

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